



GIVING TO THE GBC PROGRAMMED GIVING ACCOUNT

INFORMATION FLYER

Background

Gymea Baptist Church (GBC) is raising money for its Building Program through a tax deductible program called "A Time to Build" (ATTB).

This flyer outlines an opportunity for GBC attendees to raise extra money for the project using the money that they would normally give as Offerings.

Why does it work?

Over the next few years GBC expects money from the sale of Turner Lodge units. This money can be used for general Church expenses. Using the money received from unit sales for general Church expenses means that income needed from regular Offerings could be reduced, enabling attendees to change their regular Offerings into the tax-deductible part of the Building Program (ATTB).

The resulting tax refund could then be voluntarily given as an additional donation to the Building Program. There is no extra cost to the giver, but (provided it is passed on by the giver) GBC can gain all of the tax deduction. This must be voluntary.

Why bother?

We estimate that up to \$500,000 extra could be raised, provided it is done properly, ie:

- The giver doesn't keep the tax refund but passes it on to GBC; and
- The giver increases their redirected Offerings amount by the expected amount of the tax refund (see further explanation below).

How to maximise and calculate a tax refund

In principle, a tax deductible donation creates the greatest benefit when the amount of the expected tax refund is added to the original donation.

Let's say you want to redirect \$1,000 of your regular Offerings to the Building Program. There are two methods of doing that (this example assumes a 30% marginal tax rate):

Method 1: (Preferred) Donate a higher amount of \$1,428 to the program by 30th June. The extra amount could come from one of two sources:

- i) From spare money, if you can afford it. Claim the tax deduction in your next tax return and receive a tax refund of \$428 (= \$1,428 x 30%), bringing the net cost to you back to \$1,000.
- ii) By having lower PAYG tax amounts deducted from your pay if you lodge a "PAYG Withholding Variation" (ATO Form NAT2036, formerly a s221D) with your employer. Ask us if you need help with this.

Method 2: Redirect the \$1,000 to the program by 30th June. Claim the tax deduction in your next tax return and receive a tax refund of \$300 (= \$1,000 x 30%). Donate this refund to the Building Program. (Note that you can then claim a further tax deduction on that additional donation in the following year).

The following table illustrates the potential end benefit (under Method 1) to GBC for every \$1 of your redirected annual Offerings, depending on your level of Taxable Income. Note that in all cases the end cost to you is still only the same \$1 each year:

If your annual Taxable Income is in this range: #	\$6,000 - \$35,000	\$35,000 - \$80,000	\$80,000 - \$180,000	Over \$180,000
Then your marginal Tax Rate (excluding Medicare) is this: #	15%	30%	38%	45%
If you donate this higher amount in a tax year (using Method 1):	\$1.18	\$1.43	\$1.61	\$1.82
Then your annual tax refund will be this amount:	\$0.18	\$0.43	\$0.61	\$0.82
The value to GBC of your extra giving over three years will be:	\$0.54	\$1.29	\$1.83	\$2.46

Note: Claiming tax deductions may reduce your Taxable Income and result in a lower tax rate. Adjust your calculations if necessary.

To work out your own situation, take the annual amount of regular Offerings you could redirect, and multiply it by the relevant figures in the above table. For example, say you earn \$50,000 a year and give \$2,000 to regular Offerings (i.e. \$40 a week). Then by donating \$2,860 ($=\1.43×2000) to the Building Program you will receive a tax refund of \$860 ($=\0.43×2000). Over three years, you will have turned \$6,000 of regular Offerings into \$8,580 for the Building Program – that's a 43% increase!

Who should participate?

As a guide, anyone who can meet the following should consider participating:

1. You give regularly to GBC's Offerings.
2. You can claim a tax deduction against your Taxable Income.
3. You acknowledge that your donations cannot be anonymous (as we need to record every donation so that we can issue you a tax receipt each year – be assured though that we will treat your donations with confidentiality).
4. You have a desire to help GBC to increase income into the GBC Building Program.

To minimise GBC's administration of this program, you are strongly encouraged to make your payments electronically (by direct credit or direct debit) into the GBC Programmed Giving Account. Note that payments by cash, cheque or credit card can be accepted but these may add significantly to GBC's administration and transaction costs. Note also that we encourage you to schedule your payments monthly or less frequently.

What to do next

Complete the attached Commitment Form and return it to the Church Office in a sealed envelope marked to the Church Treasurer's attention. On receipt, we will send you details on how to make your payments – **do not combine these payments with other donations to an existing GBC Account.**

Please contact the GBC Treasurer if you have any queries or require more information:

Paul Beckmann
GBC Treasurer
(02) 9524 1342 or 0407 345 313
paul.beckmann@ozemail.com.au

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COMMITMENT FORM

Name: _____

Address: _____

Phone: _____

Email: _____

Payment Method

- Direct Credit (we will send you transfer details)
- Direct Debit (we will send you a form to complete)
- Cash, Cheque or Credit Card (we will send you payment instructions)

My Commitment:

Making this commitment is an expression of my sincere intent but in no way constitutes an enforceable obligation:

- I would like to support the GBC Building Program as outlined in the Information Flyer "Giving to the GBC Programmed Giving Account".
- I will redirect \$_____ a year of my current regular Offerings.
- I will increase that amount to \$_____ a year to reflect the value of my expected tax refund on this donation and pay it to the GBC Programmed Giving Account.
- I understand that after I receive the tax refund my net cost will have remained unchanged.
- I will participate in this program for each of the next three financial years.

Signed: _____ Date: _____

Please return this Commitment Form to the Church Office in a sealed envelope marked to the Church Treasurer's attention.

**Gymea Baptist Church
2-4 Tea Gardens Avenue
Kirrawee NSW 2232**